

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Reservations and Marketing Component Budget Summary**

## Component: Reservations and Marketing

### Contribution to Department's Mission

Marketing makes the traveling public aware of the many advantages of using the ferry system and promotes enhanced ridership.

Reservations will provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system, and ensure that all requests for information, reservations, and tickets are answered and processed effectively.

### Core Services

Marketing creates awareness of the Alaska Marine Highway through aggressive and proactive advertising campaigns, speaking engagements, media appearances, and production and distribution of collateral materials. The Alaska Marine Highway is represented by the marketing department on all relevant visitor and convention bureaus, chambers of commerce, economic development districts, community councils, and cooperative marketing organizations.

The reservations section creates interest in travel by Alaskans and visitors on the Alaska Marine Highway by providing information as well as reservation and ticketing services. The ability to generate interest and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and, therefore, on the revenues generated by the system. Through staff in Ketchikan and Juneau (and satellite and/or contract agents elsewhere throughout the system) we provide:

- Oral and written responses to over 200,000 telephone requests for information, reservations, and tickets each year, more than 6,000 faxed requests, and an ever-increasing number of e-mail and Internet inquiries.

- Ticketing for over 10,000 Internet reservation requests, specific point of contact reservation assistance to user groups with specialized needs such as, but not limited to, youth/student tour groups, packaged travelers (including tour groups, persons with disabilities, commercial haulers, military personnel, and travel agents).

- Extensive in-house training on the Reservations Management System, as well as policy, procedure and computer training for shore side staff, including terminals and other system personnel.

- Collection of additional passenger information as required by the United States Coast Guard (USCG) for greater security, as well as collection of customer service data to improve onboard and shore side service to customers.

- Regularly update online schedules and produce two annual printed schedules. Both online and printed schedules serve as travel planning tools for potential customers.

- Distribution of almost 200,000 schedule brochures through reservations centers, terminals and by direct mail to names generated by customers, travel agencies, government agencies, and/or consumer and trade advertising/promotions.

- Assist travel trade (travel agents, tour operators/wholesalers) to develop tour products that include Alaska Marine Highway segments in order to increase ridership.

- Increased awareness of Alaska Marine Highway through increased targeted advertising, direct mail, public and press relations, trade show attendance, and association memberships.

- Continue to work with community and Alaska partnerships including trade show and advertising co-ops and special promotions for each region. This includes working with communities along the Alaska Marine Highway System route to submit grants to promote the "All American Road" designation.

Foster and strengthen the relationship between the Alaska Marine Highway System and various government organizations and non-profit groups such as the U.S. Forest Service, U.S. Fish and Wildlife, Alaska Department of Fish and Game, and the SEAtails (Southeast Alaska Trail System) to promote interest among visitors in enjoying the communities along our route.

### FY2008 Resources Allocated to Achieve Results

<b>FY2008 Component Budget: \$3,145,000</b>	<b>Personnel:</b>	
	Full time	19
	Part time	8
	<b>Total</b>	<b>27</b>

### Key Component Challenges

The Department is always looking for ways to improve the efficiency of the AMHS reservation and ticketing process. Staff is currently evaluating the system to find improvements that could result in greater customer satisfaction and provide greater support for management.

A continued emphasis on the recruitment, training, and retention of qualified reservation agents is critical to providing the excellent customer service that the public rightfully demands. Because these agents are Alaska Marine Highways' "front line" point of contact with the traveling public they need to have rapid, accurate information and direction in regard to routine schedule changes, major incidents, and marketing promotions.

Encouraging travel during the off-season has always been a challenge. Marketing efforts will focus on the Alaskan passenger. Fall/winter and winter/spring seasons will be promoted to encourage travel between Alaskan communities for special events, family visitation, and business travel. Marketing aimed at enticing visitors to Alaska will target high value travelers who bring vehicles, rent cabins and buy meals aboard the vessels. An aggressive marketing campaign using discounts and specials is necessary to continue the increase in ridership.

### Significant Changes in Results to be Delivered in FY2008

No significant changes are anticipated.

### Major Component Accomplishments in 2006

The implementation of the marketing plan included tariff discounts and resulted in a 20% increase in ridership during the discount periods over the previous year. This helped to contribute to increased earned revenues in FY2006.

Continued improvements were made to the Online Reservation System. These improvements were initiated to upgrade the technology that enables customers to make and pay for reservations via the AMHS website.

Marketing, in conjunction with an advertising and marketing company, developed and implemented a marketing plan for the 2005/2006 year. The plan included specific goals regarding advertising, printed media, web design and development of branding themes.

Nine contracts were awarded in a competitive RFP process to non-profit organizations to promote the use of the Alaska Marine Highway. The intent is to encourage citizens to attend events in other communities along the ferry route, resulting in increased ridership and attendance at these special events.

Cooperative marketing with Latitude Alaska, Alaska Holiday, and Alaska Travel Industry Association continued to allow the Alaska Marine Highway's marketing efforts to attract foreign and domestic passengers by attendance at travel agent and consumer travel conferences by marketing staff and cooperative marketing partners.

**Statutory and Regulatory Authority**

AS 19  
AS 44

Contact Information
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### Reservations and Marketing Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,367.1	1,591.5	1,799.6
72000 Travel	23.9	30.8	30.8
73000 Services	965.8	1,291.9	1,291.9
74000 Commodities	37.0	22.7	22.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,393.8</b>	<b>2,936.9</b>	<b>3,145.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	0.0	0.0	208.1
1076 Marine Highway System Fund	2,393.8	2,236.9	2,236.9
1200 Vehicle Rental Tax Receipts	0.0	700.0	700.0
<b>Funding Totals</b>	<b>2,393.8</b>	<b>2,936.9</b>	<b>3,145.0</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>700.0</b>	<b>0.0</b>	<b>2,236.9</b>	<b>2,936.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Fund Source Adjustment for Retirement Systems Increases	208.1	0.0	-208.1	0.0
<b>Proposed budget increases:</b>				
-FY 08 Retirement Systems Rate Increases	0.0	0.0	208.1	208.1
<b>FY2008 Governor</b>	<b>908.1</b>	<b>0.0</b>	<b>2,236.9</b>	<b>3,145.0</b>

### Reservations and Marketing Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	19	19	Annual Salaries	983,662
Part-time	8	8	Premium Pay	12,362
Nonpermanent	0	0	Annual Benefits	854,921
			<i>Less 2.77% Vacancy Factor</i>	(51,345)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>27</b>	<b>27</b>	<b>Total Personal Services</b>	<b>1,799,600</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	0	0	14	2	16
Administrative Supervisor	0	0	3	0	3
Dev Spec II, Option A	0	0	0	1	1
Ferry Reservations Agent	0	0	1	0	1
Ferry Reservations Supervisor	0	0	1	0	1
Marine Traffic Manager	0	0	1	0	1
Publications Spec II	0	0	0	1	1
Reservations Specialist	0	0	2	1	3
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>5</b>	<b>27</b>